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SOUTH CAROLINA STATE DEVELOPMENT BOARD



ANNUAL REPORT 1987-1988

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State Budget And Control Board

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STATE DOCUMENTS

Columbia, South Carolina

September 1, 1988

To: His Excellency Carroll A. Campbell Jr., Governor, and
Members of the General Assembly

On behalf of the South Carolina State Development Board, I have
the honor to transmit herewith its Annual Report, which outlines
the activities of the Board and its staff during the 1987-88
fiscal year ending June 30, 1988.

Respectfully submitted,

JOHN C. HANKINSON JR.

Interim Director

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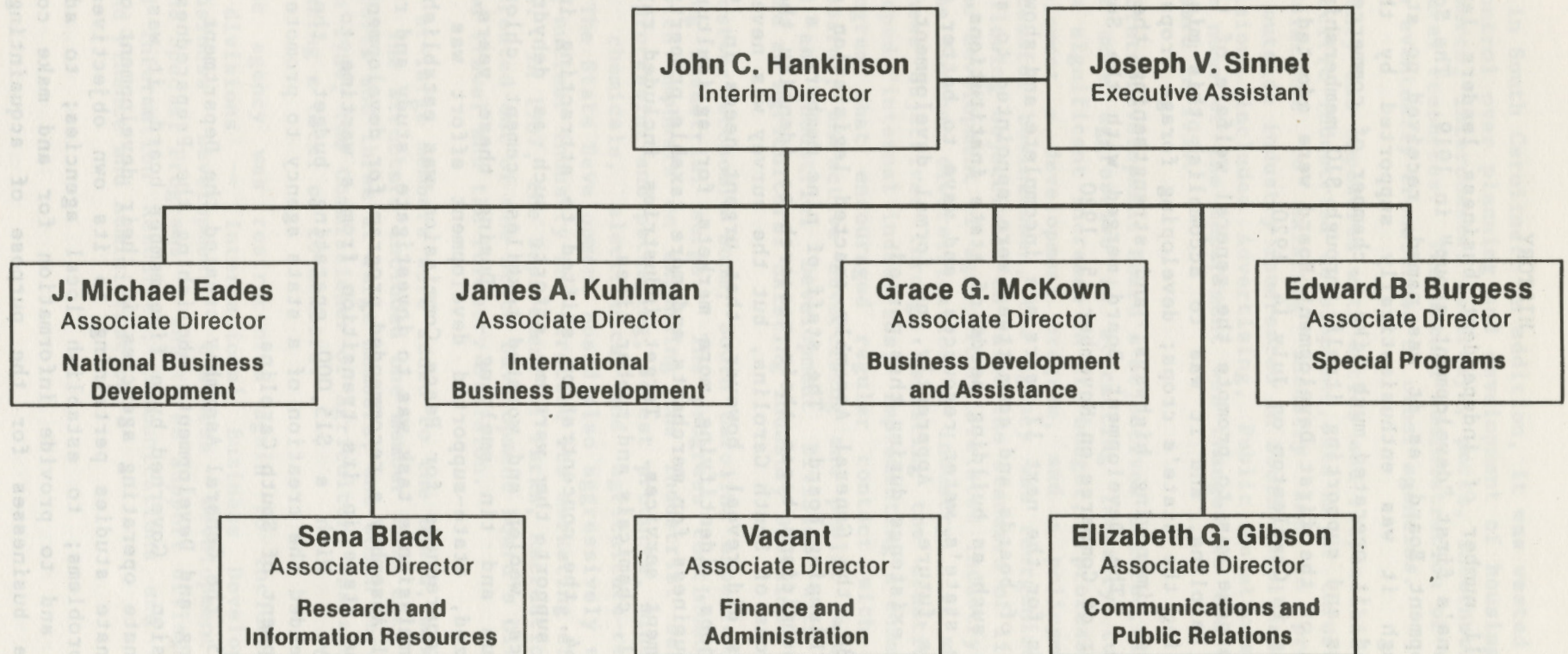
SOUTH CAROLINA
STATE DEVELOPMENT BOARD MEMBERS

<u>Judicial Circuit</u>	<u>Name</u>	<u>City</u>
Chairman	Richard E. Greer	Greenville
At Large	C.C. Goodwin	Sumter
At Large	Samuel Tenenbaum	Columbia
1st	J.R. Bell	Harleyville
2nd	O'Neal Laird	Blackville
3rd	J. Wesley Kennedy	Hemingway
4th	Stacey Griffin	Dillon
5th	Robert L. Selman	Columbia
6th	Leo R. Maguire	Lancaster
7th	Lewis Harrison	Roebuck
8th	Thomas E. Hite Jr.	Abbeville
9th	Frances Shipley	Moncks Corner
10th	T. Rhett Evatt	Seneca
11th	John H. Wheeler	Saluda
12th	David W. Keller Jr.	Florence
13th	Garnet A. Barnes	Easley
14th	Harry L. Hill	Walterboro
15th	Eugene S.N. Lawrimore	Georgetown
16th	Louis M. Jordan	Union
Commissioner of Agriculture	D. Leslie Tindal	Columbia

MANAGEMENT STAFF

John C. Hankinson Jr.	Interim Director
	Associate Director Finance and Administration
Sena H. Black	Associate Director Research and Information Resources
Edward B. Burgess	Associate Director Special Programs
J. Michael Eades	Associate Director National Business Development
Elizabeth G. Gibson	Associate Director Communications and Public Relations
Dr. James A. Kuhlman	Associate Director International Business Development
Grace G. McKown	Associate Director Business Development and Assistance
Joseph V. Sinnett	Executive Assistant

S.C. STATE DEVELOPMENT BOARD EXECUTIVE STAFF ORGANIZATIONAL STRUCTURE



HISTORY

A small number of independent business leaders launched South Carolina's first "development group" in 1919. The South Carolina Development Board, as it was named, received no state funding, although it was enthusiastically supported by the governor. Instead, it operated much like a chamber of commerce, soliciting members and supporting itself through \$10 membership dues. The bylaws of the first Development Board were adopted at the first meeting in Charleston on July 14, 1920.

Its purpose was to promote the general welfare of the people of South Carolina, and it was to accomplish this mission through marketing the state's crops; developing forage crops, grains and grasses; improving highways; and strengthening the educational system. The Development Board merged with the South Carolina Chamber of Commerce on November 15, 1920.

Records for the next 17 years are incomplete and show only that a number of boards and committees were appointed to study various issues such as building needs of state institutions, development of the state's water resources, and ways to better plan for the state's future. Apparently, no formal development organization was in existence during this period.

In 1938, the General Assembly enacted legislation creating the State Planning Board. The staff of nine members, a director and two technicians began their research to identify the industrial resources of South Carolina, but the survey was never completed. Studies did reveal, however, that urgent needs in 1940 were for more jobs, identifying more markets for agriculture products, more business for merchants and more taxable property to finance government services. Target industries included rayon, ladies' apparel, chemicals and rubber tires.

By 1944, the concentration shifted to attracting industry that would support the wartime effort, such as dehydrated foods, plastics, woolen and worsted textiles, cement, chlorine alkali, aluminum and tin smelting. During these years, the first organized, state-supported development effort was inaugurated: The Preparedness for Peace Commission was established in 1942. The Commission's task was to investigate, study and report to the General Assembly a recommended program for development that would aid the state in its transition from a wartime to a peacetime economy. With a \$15,000 operating budget, the Commission recommended the creation of a state agency to promote the orderly development of South Carolina.

In 1945, the General Assembly created the Department of Research, Planning and Development, abolishing the Preparedness for Peace Commission. Governed by a five-member board, it was required to coordinate operating agencies in their development of plans; to coordinate studies pertaining to its own objectives; to study area problems; to establish local agencies; to advertise the state; and to provide information for and make contacts with private businesses for the purpose of acquainting them with

opportunities in South Carolina. In addition, it was vested with state-level control over planning and development of housing and building, commerce, intercoastal waterways, ports, international trade and natural resources. The actual administration of these activities was eventually transferred to other agencies.

Though the agency was empowered with duties and responsibilities far beyond specific industrial development, its major thrust was to offer assistance to existing industry and to provide assistance to outside industry interested in South Carolina. The agency's divisions included Advertising, Public Relations and Tourism. The name of the department was changed to the State Development Board in 1954.

In 1959, the State Development Board's objectives shifted, as the agency became more aggressive in attracting industry to the state. With a significant increase in its budget, a professional staff to implement a development program, and a policymaking board of successful businessmen, the agency was reorganized to pursue the following objectives: to raise the standard of living; to further the development of agricultural-related industry; and to promote the further diversification of industry. It was to accomplish these objectives through assisting the creation of locally developed "internal industries;" implementing a community relations program that encouraged regular contact with local development boards; an active advertising and public relations program; and an Industrial Development Division with data development and an Agricultural Existing Industry Division.

During the postwar economic boom, South Carolina experienced a record-breaking industrial surge. The progress continued into the 1960s, with emphasis on expanding the industrial base to include food processing and packaging, forest products, minerals, metalworking, chemicals, electronics and agriculture-related industries. The State Development Board also aggressively sought the fledgling nuclear industry and directed its marketing efforts toward Europe. In 1967, the Department of Parks, Recreation and Tourism was created out of the State Development Board's Division of Tourism and Travel and the Forestry Division.

In 1979, two at-large members were added to the Board, making a total of 19. The structure included one member from each of 16 judicial circuits and three at-large members, one which serves as chairman. In 1984, the Commissioner of Agriculture was added to the Board, making a total of 20 members.

In 1986, the agency was restructured again to include four operational divisions — International Business Development, National Business Development, Business Development and Assistance and Special Programs — and three support divisions — Research and Information Resources, Communications and Public Relations, and Finance and Administration.

THE ECONOMY IN REVIEW

South Carolina took full advantage of the strength of the national economy to grow at a faster rate than the country and the Southeast, according to the 1988 South Carolina Economic Report, published by the state's Budget and Control Board. More than 50,000 jobs were added to the state's work force in 1987, up from the nearly 42,000 jobs created in the previous year, and growth in total personal income brought South Carolina to its highest national ranking ever.

"During 1987, South Carolina's economy outperformed the economies of the Southeast region and the nation as a whole," the report said. "The state's 6.6 percent growth in personal income was well above the 5.8 percent growth in the nation and even exceeded the 6.2 percent growth in the fast-growing Southeast. This was only the third time in the last 10 years that South Carolina's personal income growth exceeded that in the Southeast."

Also in 1987, the state's unemployment rate fell to its lowest point in 14 years at 5.6 percent. The national average was 6.1 percent.

The key to the state's prosperity in 1987, according to the report, was the revival of the manufacturing sector and the continued expansion of the trade and service sectors. "Even before the drop in the dollar, the state's manufacturing industry had become more competitive with foreign producers because of the investments in efficiency in the first half of the 1980s. After the dollar began to fall, the state's more efficient manufacturing sector increased its sales and expanded its work force."

"The trade sector continued to be the state's leading creator of jobs in 1987, reflecting strong growth in tourism, greater buying power of consumers and a trend toward more consumption of food in restaurants," the report said. "The state's expanding service sector continues to be the second largest source of job growth and the largest source of income growth for the state."

Capital investments for the fiscal year totaled nearly \$2.4 billion, almost a third more than the \$1.8 billion announced the previous fiscal year. Jobs increased 20 percent over the previous fiscal year, reflecting the diversification of the state's economy. Three sectors are emerging to help diversify the economy further: office and headquarters, research and development, and distribution. The first two sectors, traditionally under-represented in the economy, demonstrated sharp increases with the announcement of Dayco's new headquarters and research facility in North Charleston. The growth of distribution facilities continues to contribute to the strength of announced capital investments.

Also during the fiscal year, \$350 million was invested in South Carolina by foreign-affiliated concerns, led by Japan, France and West Germany (See Table III). West German-affiliated concerns created the most jobs, followed by Japan and France.

Rural South Carolina attracted nearly half of the jobs created by announced capital investments during the fiscal year (See Table IV). Urban areas still led investments, reflecting the growth of the existing industrial base, but rural areas led new investments. Fully three-quarters of the announced capital investments in 1988 accrued to rural counties, compared with a third in the comparable period of 1987. Willamette Industries, which located a paper mill in Marlboro County, is symbolic of this positive trend. The significance of this facility extends beyond its location in a rural county and its sheer size and magnitude. Willamette is significant because a state-of-the-art plant providing quality jobs located in an area not historically known for being high tech.

Overall, South Carolina took advantage of a strong national economy in its sixth year of expansion, a revitalized manufacturing sector and continued growth in its trade and service sectors to achieve a banner year, outpacing the growth of the region and the nation.

THE EXECUTIVE OFFICE AND THE BOARD

In consultation with the board, the director is responsible for the overall management of the agency, which includes policy development, long-range planning and resource development. The director's office is the focal point for the agency's accountability to the public.

The governing and policy-making body for the activities of the agency is the board. Each year, the board adopts objectives and programs for achievement in consultation with the director and the executive staff.

Of the 20 board members, 19 are appointed by the Governor, with the advice and consent of the Senate. One member is appointed from each of the 16 judicial circuits, and three members are appointed from the state at large. One of the at-large members is appointed by the Governor to serve as chairman. The state Commissioner of Agriculture also serves on the board.

The chairman of the State Development Board also chairs the Coordinating Council for Economic Development, which during the fiscal year administered the highway set-aside fund for economic development provided for in the strategic highway spending legislation and managed the firm hired to conduct a strategic economic development plan for the state. The plan is expected to be completed in the next fiscal year.

During Fiscal 1987-88, the director's office planned and coordinated the relocation of the agency's quarters to the AT&T Capital Center in downtown Columbia. Also during the fiscal year, the director's office assumed administrative responsibility for the Washington office, which works to expand development opportunities with the federal government, especially in the area of defense, and functions as a liaison between the congressional delegation and the state.

Capital investments for the fiscal year totaled nearly \$2.4 billion, almost a third more than the \$1.8 billion announced the previous fiscal year. This increased 20 percent over the previous fiscal year, reflecting the liberalization of the state's economy. Three sectors are emerging to help diversify the economy further: office and headquarters, research and development, and distribution. The first two sectors, traditionally underrepresented in the economy, demonstrated sharp increases with the announcement of Deyco's new headquarters and research facility in North Charleston. The growth of distribution facilities continued to contribute to the strength of announced capital investments.

Also during the fiscal year, \$550 million was invested in South Carolina by foreign-affiliated concerns, led by Japan, France and West Germany (see Table III). West German-affiliated concerns created the most jobs, followed by Japan and France.

THE FOLLOWING IS A BRIEF DESCRIPTION OF THE
VARIOUS DIVISIONS OF THE STATE DEVELOPMENT
BOARD AND THE PROGRAMS AND ACTIVITIES
OF EACH FOR THE FISCAL YEAR 1987-88

NATIONAL BUSINESS DEVELOPMENT

Domestic business and industry showed a record level of interest in South Carolina as a possible location for investment in Fiscal 1987-88. The National Business Development Division experienced a 75 percent increase in prospect visitations over the previous fiscal year. Announced capital investment in the state by domestic corporations totaled \$615.9 million for Fiscal 1987-88, with a resulting 8,010 new jobs for South Carolinians.

The non-urban areas of the state made a particularly strong showing during the year, attracting 70.7 percent of investment and 59.3 percent of the resulting jobs. Among the 83 new facilities announced by domestic corporations during the fiscal year were Adidas, Allied-Signal, Eaton, Grumman, Interlake, True Temper, Willamette and W.W. Grainger.

The National Business Development Division made significant strides during the year in its marketing programs. The division developed and coordinated 12 marketing missions, contacting more than 1,000 U.S. firms. The division also took advantage of marketing opportunities provided by the Heritage Golf Tournament on Hilton Head Island and the Spoleto USA Festival in Charleston.

INTERNATIONAL BUSINESS DEVELOPMENT

During Fiscal 1987-88, the division concentrated on investment and trade promotion according to a specific strategic plan developed by the staffs of the investment and trade departments, together with the directors of the Atlantic Community and Pacific Community offices. A matrix design of public-private and state-local participation in investment seminars and trade missions was implemented with major events in each category.

Investment seminars — involving public and private practitioners in the accounting, banking, higher and technical education, law and utilities sectors — were conducted in London under the auspices of the London Chamber of Commerce & Industry and chaired by the Governor; and in Zurich under the auspices of the Swiss-American Chamber of Commerce, also chaired by the Governor. A Governor's Investment Seminar Advisory Committee was established to assist the division in targeting future investment seminar sites. A delegation led by the Governor also participated in the Southeast United States/Japan Association meeting in Tokyo and in the Southeast United States/Korea Economic Committee meeting in Seoul.

Trade missions — involving a record level of South Carolina export firms — were conducted to Seoul, Singapore, Bangkok, Taipei and Milan. The Milan Trade and Investment Mission was the first of its kind involving representatives from various agencies and industrial sectors. Proposals were developed with the State Ports Authority and the state Department of Agriculture to achieve a more clear-cut division of labor for the investment and trade functions in the overseas offices. The Tokyo office now has representatives from both the Development Board and the State Ports Authority, and the Brussels office has moved to the Frankfurt Airport Center.

For the fiscal year, investment increased to record levels, showing an all-time level in volume and percentage growth. The division began a planning stage for the increased representation of state agencies in overseas markets, building on the new Atlantic Community site, record levels of available investment capital in Central Europe and the Far East, and the record figures set by Fiscal 1986-87 foreign-affiliated investment in the state.

SPECIAL PROGRAMS

The division's mission is to contribute to the agency's effectiveness in attracting and creating new business investments and to improve economic development in South Carolina through several non-traditional programs. These programs include Community Analysis and Development, Special Events and the Economic Development Institute. The division also is responsible for the Development Board's consultants, which provide internal expertise on the environment, finance, and buildings and sites.

Community Analysis and Development (CAD)

The CAD mission is to organize a state coordinated program to enhance the economic development potential of rural areas. CAD staff completed a comprehensive community analysis in four Lowcountry counties and added leadership development as an element of the process.

Initial restructuring of the program was begun to broaden its responsibilities to include other elements of rural and community development, such as meeting facilitation, retreat planning and the linking of resources between agencies.

Special Events

Special Events mission is to manage location logistics and to design events to promote economic development in group settings.

During the fiscal year, staff planned and coordinated the participation of key prospects at Spoleto USA as part of the agency's promotional program. The Development Board also used the Heritage Golf Tournament on Hilton Head as an opportunity to familiarize facility planners and location executives with some of the state's resources.

Also, staff began planning for location logistics and the state's participation in two major conferences — Southeast U.S./Japan Association Meeting and the World Congress of the Industrial Development Research Council — which will take place in the next fiscal year.

Economic Development Institute (EDI)

EDI is the agency's program for transferring information on issues, trends and programs relating to economic development to the state's network of development allies, the business community and local elected officials.

During the fiscal year, EDI conducted 10 closed-circuit information and professional development conferences through South Carolina's Educational Television network on subjects ranging from export trade to developing a local promotional program for economic development. An estimated 1,200 people participated statewide.

EDI staff also planned and conducted three statewide allies meetings that addressed current issues of interest to the allies network and designed several community retreats.

BUSINESS DEVELOPMENT AND ASSISTANCE

The Business Development and Assistance Division's mission is to stimulate economic development activity by focusing attention on the potential for business growth within South Carolina. This objective is pursued primarily through the formation and growth of new businesses and the retention and expansion of existing business and industry.

The division has two major departments: Existing Business and Industry Services and Enterprise Development. A third function has also been developed within the division and provides a "one stop" business information service. During Fiscal 1987-88, division activities incorporated a wide range of services provided by the agency, as well as other economic development agencies and organizations.

Existing Business and Industry Services

Two-thirds of the state's capital investments during the fiscal year resulted from the expansion of existing business and industry. The department's field agents visited 725 South Carolina companies this year, and staff responded to identified

needs, concerns and expansion plans. Buyer/Supplier sourcing referrals also were made.

On-site visits revealed 241 companies interested in expanding, and the department's staff assisted those companies. General follow-up was provided, and project assistance was given to 62 firms. Most prominent among these projects was the Dayco headquarters location in North Charleston.

In the continued follow-up of the Buyer/Supplier match, direct contact was made with purchasing managers of all South Carolina firms with 100-plus employees, and special forms were mailed promoting the services. To expand the buyer/supplier effort, the department designed a new service for major retailers (consumer goods manufactured in South Carolina that can be purchased by major retail chains), and has already initiated efforts with Wal-Mart.

The Existing Business and Industry Services department accepted responsibility for "Rapid Response" and provided assistance to 15 firms. The primary function of this initiative is to try and avert plant closings when possible. Secondary functions are to certify workers for extended benefits under the Jobs Training Partnership Act and gather information for marketing the facility.

A new Existing Business Recognition effort was designed to promote those existing businesses who have contributed their time to expand economic development for South Carolina.

To increase business communications, the department provided "BusinessLine," a quarterly publication mailed to more than 7,000 representatives of existing business and industry.

During the fiscal year, department staff participated in local trade shows and buyer/supplier events, made presentations throughout the state on department initiatives, maintained information on supportive service firms in the state, updated the "South Carolina Metalworking Directory and provided data on joint venture and selling interests.

Enterprise Development

The Enterprise Development department provides statewide leadership and coordination in developing the supportive climate across South Carolina for increasing the quality and quantity of new business ventures.

The enterprise strategy concentrates on expanding state and local economic development initiatives to include enterprise (entrepreneurial) development with staff serving as a catalyst and resource to local communities and organizations in implementing and expanding such efforts. Major objectives initiated this fiscal year included:

Improving, expanding and coordinating existing resources: Two statewide networking forums were held for local development allies to initiate local cooperation and coordination and to focus attention on the role of enterprise development. Community assistance and coordination continued this year with in-depth assistance in developing regional coordination for 20 counties of the state. Furthermore, the department provided assistance in developing local incubators and assistance organizations; expanding the Small Business Innovation Research program for the state; and implementing a statewide Franchising Council.

Increasing the flow of risk capital for new business: The Palmetto Seed Capital Fund legislation (private, for-profit fund for early stage start-up ventures) was signed into law. The staff played a significant role in this effort by designing the concept, drafting the legislation, providing briefings, securing endorsements and marketing information throughout the state. In addition, the Private Investor Network (matching service for entrepreneurs and investors) was initiated in conjunction with the University of South Carolina Aiken's Economic Enterprise Institute.

Bringing the education community in as a partner in entrepreneurial development: A statewide educational forum was held to provide information on enterprise development and involve the education arena in policies regarding entrepreneurial training and curriculum development. School-Based Enterprise projects (true, ongoing businesses operated by high school students) were developed by the staff for Beaufort and Aiken counties. A training institute was held for the teachers involved in the project; financing was obtained for the two-county project; and legislation was passed allowing for a statewide board and advisory committee. Additionally, the staff developed a proposal for self-employment training for low-income, welfare recipients and dislocated workers.

The Enterprise Development department was also responsible for assisting the Governor's Office in developing, drafting, packaging and marketing the economic development legislative initiatives for this year. Four of the five bills were signed into law.

Also in the fiscal year, the Enterprise Development department assisted in the Minority Trade Fair; provided in-depth business planning and financial services to potential business owners; made presentations across the state on enterprise development; and held a statewide teleconference on entrepreneurship and education.

"One Stop" Business Information

The "One Stop" Business Information Center was organized in April 1988 and serves any new or existing business with state and local information on permits and licenses, financial resources and

business assistance organizations. The staff spent considerable time gathering accurate information and developing a data base for the service. About 900 calls were handled from April to the end of the fiscal year.

FINANCE AND ADMINISTRATION

This division provides internal administrative support and control services for the entire agency.

Its functions include budgeting, accounting, personnel, procurement/supplies, fixed asset inventory control, office services, switchboard and receptionist services, and the assignment and maintenance of the agency's state automobiles. The division also is responsible for the maintenance and use of the agency's aircraft.

COMMUNICATIONS AND PUBLIC RELATIONS

By creating and placing a strong national and international advertising campaign, by developing an arsenal of domestic and foreign award-winning publications, by carefully disseminating news and economic development information and by targeting direct mail marketing efforts to clients and allies, the Communications and Public Relations Division markets South Carolina to the State Development Board's numerous constituencies.

This fiscal year, the division also assumed responsibility for managing motion picture and television projects and for the reorganization of the South Carolina Film Office.

Advertising

During the fiscal year, the division successfully managed the State Development Board's advertising contract, overseeing production and budget for the creation and placement of 16 new ads in 64 editions of 17 national and international publications.

This year, the division received the following awards for print advertisements:

1988 Addy Awards: Gold for quality of life campaign; Silver for "Designer Genes" ad;

1987 Southern Industrial Development Council: Superior for quality of life campaign;

1987 American Economic Development Council: Superior for quality of life campaign; Excellent for "Sometimes We Really Don't Wear Shoes."

The division also managed the selection process for the advertising contract to commence July 1, 1988. Newman, Saylor and Gregory of Columbia was selected.

Communications

The division has developed an award-winning inventory of promotional brochures, newsletters, directories, and other publications in English and Japanese. It also has developed logo and promotional collateral campaign for the Private Investor Network (PIN) and the Business Information Center (BIC).

This fiscal year, the State Development Board received the following awards for print materials:

1987 Southern Industrial Development Council:
Best of Class for major recruitment brochure
(Japanese version); Superior for "Economic
Developments" newsletter; Excellent for JETRO
report;

1988 Addy Award: Silver for major recruitment
brochure; bronze for "Economic Developments"
newsletter;

1988 American Economic Development Council: Best
of Class for major recruitment brochure
(Japanese version); Superior for "Economic
Developments" newsletter; Superior for 1988
South Carolina Industrial Directory; Superior
for major recruitment brochure;

1988 PICA (Printing and Design Excellence):
Excellent for major recruitment brochure;

1988 ZANDERS (International Excellence in
Design): Excellent for major recruitment
brochure.

The State Development Board publishes the award-winning monthly newsletter, "Economic Developments," for its 5,000 agency constituents. Each issue includes information on ideas, issues and trends concerning economic development, as well as investment figures and general business news.

Additionally, the Development Board has two 10-minute economic development films, one in English and one in Japanese, marketing South Carolina's quality of life to the national and international business communities.

Public Relations

The public relations component of the division primarily involves generating support on legislative issues and building on the

existing relationships the Development Board has with outside individuals and organizations. It also includes targeting national publications for editorial coverage of South Carolina and the State Development Board.

Film Recruitment and Facilitation

The South Carolina Film Office was closed at the end of Fiscal 1986-87 as a result of a funding reduction for the agency. At the time, instructions were issued for the reorganization of the program for funding in Fiscal 1988-89.

Responsibility for recruiting and facilitating motion picture and television production and for the reorganization was shifted to the Communications and Public Relations Division.

During the year, four feature films, one made-for-television movie and several commercials and print advertisements were filmed in the state, generating more than \$6 million in direct spending with the economic impact of more than \$18 million.

RESEARCH AND INFORMATION RESOURCES

The division's mission is to strategically position South Carolina for immediate and long-range economic development through research and technology.

The division's research programs consist of comprehensive business information services, customized proposals for business and industry for location and expansion in the state, and strategic analysis to assess South Carolina's competitiveness for enhanced economic development.

The Information Resource Center (IRC) produces and publishes a variety of information products to assist business and industry and local economic development professionals. During the last year, the IRC produced the "1988 South Carolina Industrial Directory," State and County Economic Statistical Profiles, Community Profiles of 111 communities in South Carolina, labor market profiles, and established a new data series on establishment births and deaths. The IRC also assisted more than 1,500 companies and local economic development organizations with business and economic information. Finally, the center also monitors new announced capital investments and jobs created in the state. In Fiscal 1987-88, a record total of nearly \$2.4 billion in investments and 18,908 new jobs were announced, leading the Southeast in investments.

The division conducts customized analysis of a variety of resources and incentives from taxes to labor to quality of life to market South Carolina and specific communities for the location of new companies and the expansion of existing firms.

During the fiscal year, 71 major in-state, national and international companies were assisted, and 88 local communities were promoted to prospects. The division also assisted the Budget and Control Board in the relocation of Central Corrections Institution to Lee County.

Strategic analysis is a third component of the division's research programs. Several projects were undertaken in the last year in areas such as taxes, labor, public transportation, incentives for corporate headquarters, impact analysis for the Governor's legislative package, and the concept of multi-county industrial parks. The division also represented the agency on the Governor's Council on Competitiveness, assisting the council with research on incentives and regulatory issues.

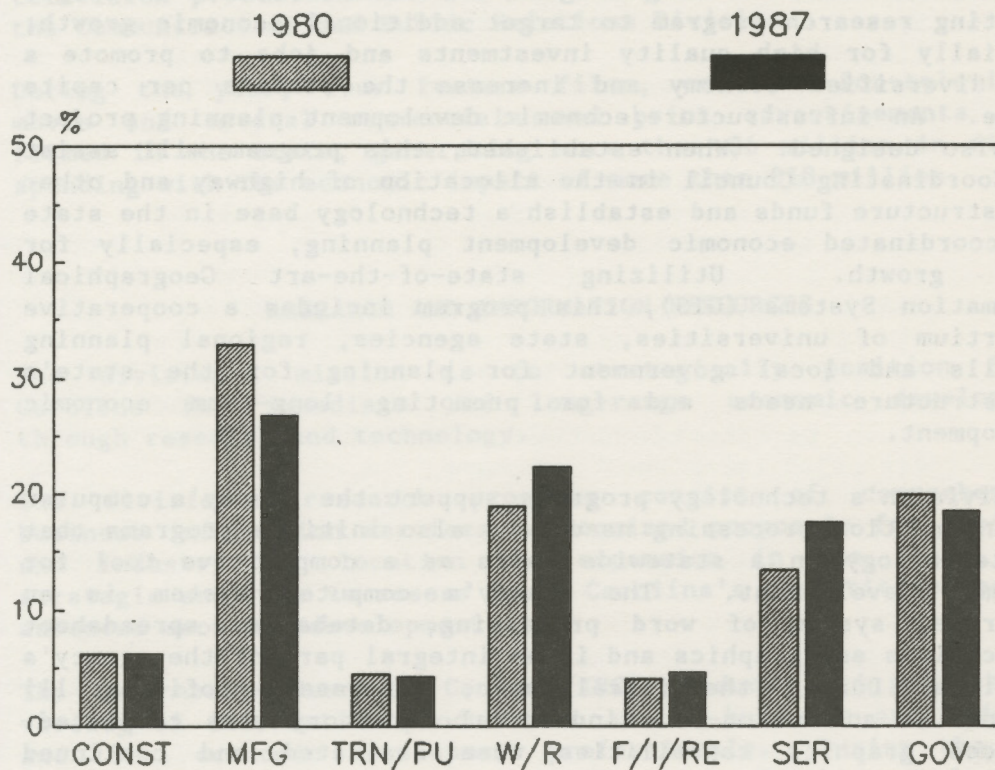
The division initiated and designed the framework for a strategic marketing research program to target additional economic growth, especially for high quality investments and jobs to promote a more diversified economy and increase the state's per capita income. An infrastructure/economic development planning project was also designed. When established, this program will assist the Coordinating Council in the allocation of highway and other infrastructure funds and establish a technology base in the state for coordinated economic development planning, especially for rural growth. Utilizing state-of-the-art Geographical Information Systems (GIS), this program includes a cooperative consortium of universities, state agencies, regional planning councils and local government for planning for the state's infrastructure needs and for promoting long-term economic development.

The division's technology programs support the agency's computer and information processing needs and also initiate programs that use technology on a statewide basis as a competitive tool for economic development. The agency's computer system is an integrated system of word processing, databases, spreadsheet applications and graphics and is an integral part of the agency's functions. During the fiscal year, databases profiling 111 communities and an on-line industrial directory were completed. Enhanced graphics capabilities were evaluated and continued improvements and cost efficiencies in computer resources were implemented.

During the fiscal year, a statewide "information bank" was designed and established. This Development Information Access Line — an Innovative Network (DIAL-IN) will provide users with immediate access to relevant and key economic development data to assist the state, local allies and communities in economic development. This statewide electronic system is anticipated to benefit particularly the rural and smaller communities by giving them ready access to business and economic information and by fostering the development of a "technological infrastructure" for economic development in South Carolina.

TABLE I

SOUTH CAROLINA EMPLOYMENT BY SECTOR



CONST = CONSTRUCTION
 MFG = MANUFACTURING
 TRN/PU = TRANSPORT/PUBLIC UTILITIES
 W/R = WHOLESALE/RETAIL TRADE
 F/I/RE = FINANCE/INSURANCE/REAL ESTATE
 SER = SERVICES
 GOV = GOVERNMENT

Source: South Carolina Employment Security Commission

TABLE II

**ANNOUNCED CAPITAL INVESTMENT AND EMPLOYMENT
BY INDUSTRY IN SOUTH CAROLINA
FISCAL YEAR 1987-88**

	ANNOUNCEMENTS	INVESTMENT	JOBS
MANUFACTURING	737	\$2,208,344,000	17,393
DISTRIBUTION	12	54,150,000	582
OFFICE/ HEADQUARTERS	9	53,650,000	597
RESEARCH/ DEVELOPMENT	6	40,645,000	211
SPECIAL	<u>1</u>	<u>10,000,000</u>	<u>125</u>
TOTAL	765	\$2,366,789,000	18,908

Source: Research and Information Resources Division
South Carolina State Development Board

Note: Announcement updates included in totals.

TABLE III

FOREIGN-AFFILIATED CAPITAL INVESTMENT AND JOBS
BY COUNTRY FOR FISCAL YEAR 1987-88

COUNTRY	INVESTMENT	JOBS
Australia	\$10,000,000	40
Belgium	500,000	30
Canada	281,000	4
France	92,000,000	200
Great Britain	11,775,000	63
Italy	3,500,000	7
Japan	170,050,000	630
Netherlands	2,500,000	30
Sweden	5,000,000	100
Switzerland	11,915,000	187
West Germany	38,890,000	1,135
<u>Others*</u>	<u>5,000,000</u>	<u>215</u>
Total	\$351,411,000	2,641

* Includes Far East

Source: Research and Information Resources Division
South Carolina State Development Board

Note: Announcement updates included in totals.

Source: South Carolina Employment Security Commission

TABLE IV

**ANNOUNCED CAPITAL INVESTMENT AND EMPLOYMENT
IN URBAN AND RURAL AREAS
FISCAL YEAR 1987-88**

	NUMBER OF FIRMS	EMPLOYMENT	INVESTMENT
URBAN	442	9,595	\$1,447,330,000
RURAL	323	9,313	919,459,000
TOTAL	765	18,908	2,366,789,000

Source: Research and Information Resources Division
South Carolina State Development Board

Note: Announcement updates included in totals.

TABLE V

ANNOUNCED MANUFACTURING CAPITAL INVESTMENT AND EMPLOYMENT
IN NEW AND EXISTING FIRMS BY INDUSTRY
FISCAL YEAR 1987-88

INDUSTRY	NUMBER OF FIRMS			EMPLOYMENT			INVESTMENT (\$000)		
	NEW	EXISTING	TOTAL	NEW	EXISTING	TOTAL	NEW	EXISTING	TOTAL
FOOD AND KINDRED PRODUCTS	3	36	39	100	148	248	\$1,850	\$21,447	\$23,297
TEXTILE MILL PRODUCTS	11	73	84	1,195	1,513	2,708	158,850	171,781	330,631
APPAREL	13	46	59	2,055	1,212	3,267	18,230	14,132	32,362
WOOD AND FURNITURE	12	69	81	930	580	1,510	37,790	43,445	81,235
PAPER AND PRINTING	4	72	76	705	224	929	314,250	177,424	491,674
CHEMICALS	3	55	58	70	679	749	6,000	670,395	676,395
METALWORKING*	19	229	248	1,620	4,302	5,922	94,095	283,327	377,422
REMAINING**	12	80	92	1,207	853	2,060	55,100	140,228	195,328
TOTALS	77	660	737	7,882	9,511	17,393	686,165	1,522,179	2,208,344

* Includes primary metal, fabricated metal, all machinery, transport equipment and instruments

** Represents petroleum, rubber and plastics, leather, stone, clay, glass and concrete, remaining manufacturing and tobacco

Source: Research and Information Resources Division
South Carolina State Development Board

Note: Announcement updates included in totals.

PUBLICATIONS OF THE SOUTH CAROLINA
STATE DEVELOPMENT BOARD

Business Formation and Expansion Manual
BusinessLine Newsletter
Economic Developments Newsletter
Incentive Financing Brochure
Palmetto Foundation Brochure
South Carolina Premier Brochure with Inserts
South Carolina Advantages for Warehouse and Distribution
South Carolina Advantages for the Defense Industry
South Carolina Industrial Directory
South Carolina Metalworking Directory
South Carolina Production Manual
South Carolina State Development Board Annual Report
South Carolina State Map
Supportive Services—State of South Carolina
Taxes in South Carolina



EXPENDITURES
FISCAL YEAR 1987-88

Director's Office and the Board.....	\$229,501
National Business Development.....	620,965
International Business Development.....	511,421
Business Development and Assistance.....	503,909
Special Programs.....	345,742
Finance and Administration.....	1,531,580
Communications and Public Relations.....	1,410,258
<u>Research and Information Resources.....</u>	<u>758,078</u>
Total.....	\$5,911,454